

IJGlobal Regional Report – North America, FY 2023

Angus Leslie Melville

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Infrastructure finance across North America marked a slight increase over the course of the 2023 calendar year achieving an uptick when held against activity in full-year 2022, according to the IJGlobal database.

Across the region, deal count remains steady, commercial lending is down, bond financing is up, DFIs have been more active than ever in recent times, primary finance is on the rise while refinance activity is down, M&A slumped by around one-quarter, oil and gas was the most active sector.

From 1 January to 31 December 2023, North America achieved an increase of 5.8% across infrastructure finance with \$651.3 billion worth of deals closed in 2023, improving performance from 2022 when \$613.5 billion made it over the line. This result includes project finance which did not fare so well, dropping by 14.3% from \$269.6 billion of deals closed in 2022 to \$231.1 billion in 2023.

For clarity, “infrastructure finance” is a catch-all category from the IJGlobal database that is designed to incorporate all private investment into infrastructure and energy, including primary finance, refinance and restructuring. It takes in all project finance, broader debt vehicles as well as all equity invested or lent across the global infra / energy sectors.

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Across the board, market activity (deal count) has remained broadly consistent with 1,177 transactions closed across North America in 2023, against 1,063 deals in 2022 and 1,130 in 2021.

Commercial lending marked a sharp decline – 19.4% down – from 2022 when \$220.5 billion of debt was arranged, slumping to \$177.7 billion deployed against infrastructure and energy over the course of 2023. This downward trend was not repeated in bond financing where it witnessed 54.4% growth from \$178 billion in 2022 to \$274.7 billion in 2023.

Development finance institutions (DFI) have not traditionally been active across the region, but this year saw unprecedented heights achieved with \$31 billion deployed, a threefold increase on 2022 figures of \$7.8 billion.

Primary finance of infra / energy rose by 22% year-on-year from \$128.1 billion in 2022 to \$156.3 billion in 2023, outshone by refinance activity which stepped up by 42.5% from \$63.3 billion in 2022 to \$90.3 billion in 2023.

The project finance and infra finance leader boards are topped by the same transaction – the \$18.4 billion first phase of Rio Grande LNG near Brownsville, Texas. This landmark transaction saw NextDecade – with Global Infrastructure Partners, GIC, Mubadala and TotalEnergies – in July complete the largest greenfield energy project financing deal in US history.

M&A was down by 25.2%, tumbling from \$188.3 billion in 2022 to \$140.8 billion in 2023, a trend that was reflected in deal count with 370 closed in 2023, against 452 in 2022. Of these figures, company acquisitions represented the larger portion at \$80.3 billion, while asset acquisitions amounted to \$57.7 billion in 2023.



The infra / energy commercial bonds market in North America was valued over the course of 2023 at \$254.7 billion, a 71% increase on 2022 figures of \$148.9 billion. In that space, Green Bonds issued in 2023 amounted to just \$13.68 billion, marking a downward trend on 2022 when \$17.3 billion was arranged, representing a 21.1% decrease.

The regional infra finance bonds table is led by the \$5.6 billion Columbia Gas Transmission Bond refinance, with funds from this issue used by TC Energy to repay inter-company indebtedness.

Traditionally the most active sectors across the region are Oil & Gas and Power – and full-year 2023 was true to form – having achieved \$192.4 billion and \$149.3 billion in infra values, respectively.

The North American public-private partnership (P3) sector continues to struggle, last year marking an 82% slump in values with just \$7.3 billion worth of deals closing across the region, compared to \$41.2 billion in 2022. This is reflected in deal count with just 11 P3 deals making it over the line in 2023, compared to 18 in 2022 and 17 in 2021.

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